

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1299 - SB 1359

March 3, 2011

SUMMARY OF BILL: Creates a special allocation of state sales tax revenue, up to a maximum of \$500,000 per year, to the City of Jackson if it establishes an economic impact area as part of an economic impact plan for the purpose of promoting the economic development of professional sports. The allocation to the municipality will be based on the incremental increase in state sales tax collections in the economic impact area in the year after the establishment of the economic impact area.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$500,000

Increase Local Revenue - \$500,000/City of Jackson

Assumptions:

- According to the Department of Revenue, state sales tax collections remitted from the City of Jackson were \$104,200,000 in FY09-10.
- The economic impact area encompasses at least 25 percent of the City of Jackson. As a result, \$26,050,000 of the \$104,200,000 remitted from the City of Jackson in FY09-10 was remitted from the economic impact area.
- Three percent annual growth in sales tax collections within the economic impact area.
- Sales tax collections remitted from the economic impact area in FY10-11 will be \$26,831,500 (\$26,050,000 x 103.0%); in FY11-12 will be \$27,636,445 (\$26,831,500 x 103.0%).
- The incremental increase in state sales tax collections from the economic impact area will be \$804,945 (\$27,636,445 - \$26,831,500) in FY11-12. Due to the maximum allocation of \$500,000 per year, the recurring decrease in state sales tax revenue will be \$500,000; the recurring increase in local government revenue will be \$500,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rnc